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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN FRANCISCO DIVISION

ST. FRANCIS MEMORIAL HOSPITAL )	No. CV 08-1440 MMC
AND FRANKLIN BENEVOLENT )	
CORPORATION f/k/a DAVIES MEDICAL )	JOINT STATUS REPORT
CENTER, )	
Plaintiffs, )	<b>AND ORDER THEREON</b>
v. )	
KATHLEEN SEBELIUS, Secretary, )	
U.S. Department of Health and Human )	
Services, )	
Defendant. )	

1 The Court's Order entered on January 23, 2012 (docket entry no. 40) directed the parties to  
 2 file a Joint Status Report no later than February 17, 2012. The parties, by and through their  
 3 undersigned counsel, respectfully submit this Joint Status Report.

4 1. In their previous Joint Status Reports, the parties have advised this Court that:

5 (a) The Provider Reimbursement Review Board ("PRRB") had issued its decision dated  
 6 January 26, 2009 in the case of Quality 89-92 Hospital Based SNF, Group Appeal No. 98-1376G  
 7 (the "Group Appeal"). See Docket Entry Nos. 30, 31, 33, 34, 35, 36, 37 (all advising this Court  
 8 of this development).

9 (b) In a decision dated March 20, 2009, the Administrator of the Centers for Medicare and  
 10 Medicaid Services reversed the decision of the PRRB. The March 20, 2009 decision of the  
 11 Administrator of the Centers for Medicare and Medicaid Services constituted the final decision  
 12 of the Secretary regarding the Group Appeal. See 42 U.S.C. § 1395oo(f). See Docket Entry Nos.  
 13 31, 33, 34, 35, 36, 37 (advising the Court of this development).

14 (c) The hospitals participating in the Group Appeal, which include the Plaintiffs in the  
 15 instant case (but for different fiscal years than in the instant case), filed a Complaint in the United  
 16 States District Court for the District of Columbia on April 6, 2009, as amended on April 9, 2009.  
 17 Glendale Memorial Hospital and Health Center et al. v Sebelius, Case No. 1:09-cv-637 (D.D.C.  
 18 2009) ("Glendale Memorial Hospital"). See Docket Entry Nos. 31, 33, 34, 35, 36, 37 (advising  
 19 the Court of this development).

20 (d) The parties ultimately settled the Glendale Memorial Hospital District of Columbia case  
 21 and on September 15, 2011, they filed a Stipulation of Settlement and Dismissal which was  
 22 incorporated into an Order the Court entered on October 11, 2011. See Glendale Mem'l Hosp.  
 23 and Health Ctr., et al., v. Sebelius, Case No. 1:09CV00637 (D.D.C. 2009), Docket Entry Nos. 43  
 24 and 44.

25 (e) On or about November 15, 2011, the settlement agreement in the Glendale Memorial  
 26 Hospital action was fully implemented. See Docket Entry No. 37.

27 2. On November 23, 2011 and January 17, 2012, the parties to this action filed Joint Status  
 28 Reports in which they reminded the Court of all of these developments. See Docket Entry Nos.  
 37 and 39. The parties, however, requested the opportunity to confer further and explore the

possibility of settling this action. Id.

3. In an order dated January 23, 2012, the Court granted the parties' request that they be given an opportunity to discuss settlement and to thereafter file another Joint Status Report, and directed the parties to file a Joint Status Report no later than February 17, 2012. See Docket Entry No. 40.

4. The Plaintiffs have submitted a settlement proposal to the Defendant, and recently provided Defendant with documentation they contend supports their settlement proposal. On February 17, 2012, Defendant responded to Plaintiffs' settlement proposal. The parties require additional time to continue settlement negotiations, and if a settlement is reached, to begin the process of formally recommending approval of the proposed settlement. Accordingly, the parties jointly request that they be given an additional forty-five (45) days, through April 4, 2012 to submit a Joint Status Report advising the Court of the status of their settlement negotiations. If, before April 4, 2012, either party reasonably believes that settlement will not be achieved, it shall notify the other party, and within the earlier of five days thereafter or April 4, 2012, the parties shall file a Joint Status Report advising the Court of that fact and submit a proposed case management plan.

The filer of this document, attests that concurrence in the filing of this document has been obtained from each of the other signatories.

Respectfully submitted,

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Dated: February 17, 2012

/s/  
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Attorneys for Federal Defendant

Dated: February 17, 2012

### ORDER

Good cause appearing, the Court hereby GRANTS the parties' joint request that they be given an additional forty-five (45) days, through April 4, 2012, to file a Joint Status Report.

IT IS SO ORDERED.

Dated: February 23, 2012

  
United States District Judge